

DRAFT UNTIL APPROVED

Joint Meeting with Provo City Council (Thursday, November 12, 2015)

Generated by Shelley R Shelton on Thursday, November 12, 2015

Board Members present

Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen

Excused

Taz Murray

Staff members present

Gary Wilson, Assistant Superintendent; Stefanie Bryant, Business Administrator; Jason Cox, Executive Director of Human Resources; Caleb Price, Communications & PR Coordinator; Shelley Shelton, Executive Assistant

Excused

Superintendent Keith Rittel

Municipal Council members present

Calli Hales, Kim Santiago, Dave Sewell, Kay Van Buren, Gary Winterton

Excused

Gary Garrett and Hal Miller

Provo City representatives

Mayor John Curtis; Corey Norman, Deputy Mayor; Matt Taylor, Executive Director of City Council; Ryan Harvey, Policy Analyst; Bryce Mumford, Policy Analyst; David Walter, Director, Provo Redevelopment Agency

Guests

David Harding and George Stewart, Council members elect; Barbara Christiansen, Daily Herald; UVU Students; Boy Scouts from Troops 1375 and 720

Meeting called to order at 12:04 PM

A. 12:00 - 1:30 p.m. Study Session

2. Roll Call

3. Redevelopment Agency & RDA Projects

David Walter, Provo Redevelopment Agency Director, explained the purpose and function of the Provo City Redevelopment Agency (RDA)

Who We Are

- The Redevelopment Agency's day-to-day operations are run by the director and five employees
- The RDA Board is the Provo City Council
- The Provo City Mayor acts as the chief executive officer
- The RDA is a separate entity from the city of Provo.

What We Do

- Redevelopment is a tool governments use to clean up blighted commercial areas and reinvigorate areas that are experiencing disinvestment. Three funding sources are used to accomplish this.
 - Tax Increment Financing (TIF) which is specific to an RDA project, is the main source. The RDA does not levy taxes; rather through tax increment financing the RDA captures a portion of the increase in taxes generated prior to new development in the area, i.e., a piece of property is worth \$10,000 and the tax rate is 5%; the taxes are \$500 on that property. The RDA makes that piece of property more developable by adding some infrastructure, improved streetscapes or access, increasing the value to \$100,000; the 5% tax is now \$5,000. The RDA captures a portion of that difference: \$5,000-\$500=\$4500.

Community Development Areas (CDAs)

- TIFs are created to invest in CDAs.
- Before the city gets any portion of a tax increment, Provo City Redevelopment Agency must make a presentation to the school board. If the board agrees to the increment financing, the board would need to adopt a resolution to enter that partnership to give up a portion of their tax increment for a period of time.
- CDAs are decided upon based on a study of the area to determine disinvestment and a need for reinvestment
- Business owners and residents in a proposed CDA are notified of the potential so they have the opportunity to voice concerns
- A proposed CDA is presented to the RDA board for a vote before it becomes an official CDA.

Business Administrator Stefanie Bryant asked Mr. Walter to review the difference between a RDA and an CDA:

- An RDA requires a blight study to show blight is occurring in a certain area. A taxing entity committee made up of the city, school district, the county, and any other entity involved that receives tax revenue, must then agree on how the increase in the increment will take place.
- A CDA process is more streamlined; the taxing entity committee is not involved.
- The city will adopt a project area, such as the Freedom Plaza (Eastern Buffet/old movie theater on Freedom Blvd.) project in 2010. The district entered an agreement with the City that the district would give up its share of the tax increment for ten years for reinvestment in the project. The project never came to fruition due to the developer and property owner not agreeing to the terms.

Current/Recent RDA/CDA Projects

- Duncan Aviation at the Provo airport CDA
- Freedom Plaza CDA - The city will ask the board to eliminate this project and adopt a new one.
- Member Poulsen asked why the board would be asked for a new CDA in the same area since one was already granted for the Freedom Plaza project.
 - Mr. Walter explained the State is expanding the court system and plans to build a new courthouse at the Eastern Buffet site from 100 North, extending to 400 North. The federal funding has been identified. This would result in a new, larger federally funded courthouse and a two-level parking deck.
 - The city will present options for proposed uses of the site, such as the parking deck, and any tax increment financing requests to the board. The city will identify the amount of tax revenue they expect to get and draft the inter-local agreement with the district. Once the identified amount of tax revenue is received by the city, the rest of the tax increment reverts back to the district.
- Center St. CDA
- Financial Center CDA
- Mountain Vista
- S. University (Provo Towne Centre Mall) RDA
- S. Downtown CDA
- Central Business District - Center St. and some surrounding blocks. The project will come to an end in early 2016. All taxing entities, including the school district, will begin receiving their full share of the tax increment. An example of a specific RDA project in that area would be NuSkin. The city assisted with the first building and the district allowed the city to capture some of the district's tax revenue. The district was not approached for tax increment financing for the second NuSkin building.
- A developer wants to build housing south of the CC Temple, and will likely approach the board for TIF.
- Plum Tree Plaza has been sold; new owners have some ideas; offices, hotel. Nothing definite yet as far as asking for TIF.

Mayor John Curtis arrived at 12:31 p.m.

Projects the city has recently been involved with:

- Utah Valley Convention Center
- Provo City Center Temple
- 63 East Project on Center St adjacent to Los Hermanos restaurant: currently looking for first floor commercial tenant and leasing housing units. The city also helped with the parking structure behind the building.

Community Development Block Grant (CDBG)

- CDBG is a second funding source. The City receives grant funding from the Department of Housing and Urban Development (HUD). The funds from this grant can be used to address critical and unmet community needs including those for housing rehabilitation, public facilities, infrastructure, economic development and public services.
- The primary objective of the grant is to develop viable urban and rural communities by expanding economic opportunities and improving the quality of life, principally for low to moderate-income persons.
- HUD Requirements - must meet a national objective for funding
 - Activities benefiting low to moderate income persons through

- Area benefit
 - Limited clientele
 - Housing
 - Jobs
- Elimination of slum or blight
- Urgent need
- CDBG funding was also used the the slash pad at Pioneer Park, construction of Franklin Park, gutter improvement through Public Works
- Income Limits for HUD programs
 - Low and moderate income is defined by HUD and 80% and lower of the median area income:

Income Limits for HUD programs								
	Min	Max		Min	Max		Min	Max
1 Person	\$ 14,250.00	\$ 37,900.00	4 People	\$ 24,250.00	\$ 54,100.00	7 People	\$ 36,730.00	\$ 67,100.00
2 People	\$ 16,250.00	\$ 43,300.00	5 People	\$ 28,410.00	\$ 58,450.00	8 People	\$ 40,890.00	\$ 71,450.00
3 People	\$ 20,090.00	\$ 48,700.00	6 People	\$ 32,570.00	\$ 62,800.00			

City Partners and the Process:

- Because of the variety of activities performed with CDBG funding, the City relies on partners or "subgrantees" to carry out these activities.
- Each year the City asks for entities to submit applications for CDBG funding.
- Once applications are received, a committee reviews them and listens to presentations from each entity.
- The committee makes funding recommendations to the City Council, who makes the final decision on the projects and the amounts that will be funded.

A Sample of Partners with the City over the Past 5 Years:

- 4H
- Affiliated Treatment Center
- American Red Cross
- Boys & Girls Club
- Boulders Community Center
- Children's Justice Center
- Community Action
- ESOL
- Family Support & Treatment Center
- Food & Care Coalition
- Gathering Place
- Habitat for Humanity
- Mountainlands Community Health Center
- Neighborhood Housing Services
- Project Read
- Provo School District
- Provo Engineering (Sidewalks)
- Rocky Mountain Treatment Room
- Victims Services (Provo City Police)
- United Way
- Utah County Crisis Line

CDBG Programs Directed by the Redevelopment Office:

- Facade Grant Program
- Energy Home Repair Grant Program
- Egress Window Program
- Habitat for Humanity: Neighborhood Revitalization Program

Recent Projects:

- Sidewalk and drive approach replacements
- Facades

- Pioneer Book
 - Modern Shoe
 - Hruska's Kolaches
- Neighborhood projects
 - Paint Your Heart Out
 - Energy House project

HOME Program:

- The third source of RDA funding
- HOME is a department of Housing and Urban Development that provides formula grants to states and localities for communities to use - often in partnership with local for-profit and nonprofit groups to fund a wide range of activities that build, buy and/or rehabilitate affordable housing for rent, homeownership, or provide direct rental assistance to low-income people.
- As with CDBG funding, the HOME program relies on partners to provide many of the services.

HOME Partners for the Past 5 Years:

- Center for Women and Children
- Friends of the Coalition
- Golden Spike Re-Entry Assist Program
- Habitat for Humanity
- Housing Authority of Utah County
- Neighborworks Provo
- Provo City Housing Authority
- Rural Housing Development Corporation
- TURN
- Georgetown Development
- Alpine House
- House of Hope

Funding Process Just Like CDBG:

- Funding applications are submitted
- A committee reviews the applications and hears presentations
- The committee makes recommendations to the City Council, who makes the final decision on allocation of funds

The HOME Consortium:

- Provo City is the only entity in Utah County that qualifies to receive the HOME grant directly from the federal government. Any other entities in the state must request HOME funding from the state.
- The Utah Valley HOME Consortium was formed to help with housing projects throughout the county.
- All local units of government participate in the Consortium with the exception of Alpine, Woodland Hills and Lehi (which is expected to be added next year).

HOME Programs Administered Directly by the RDA:

- HOME Purchase Plus - a down payment assistance program for Provo residents. Nineteen loans were made last year.
- Loan to Own - a down payment assistance program for Utah County in participating Consortium cities. Twenty-nine loans were made last year.
 - Both homeownership programs are available to low- to moderate-income residents meeting eligibility requirements.

Housing Projects:

- RDA: Liberty Place
- RHDC (Rural Housing Development Corporation): Maeser School homes
- Habitat for Humanity of Utah County: Taylor House
- Housing Authority of Utah County: Cedar View Senior Living (under construction)

Consolidated Plan:

- A report submitted to HUD every five years to report on projects recently undertaken and completed
- Contains analysis of community and housing needs
- Outlines projects to be undertaken for the next five years to help address needs

- Citizen input is an integral part of the plan

Programs Administered in the Past:

- HPRP - homelessness prevention
- ESG (Emergency Solutions Grant) - homelessness prevention
- CDBG-R - recovery money through grants for the purpose of improving infrastructure
- HHS Grant (from the Department of Housing and Human Services) - funded the Circles Initiative in the Boulders development

Upcoming Development Opportunities:

- The RC Willey block; the existing courts block; the block north of RC Willey. The City has an opportunity to partner with the state, a developer and the existing retail to improve all three blocks.
- The new courthouse would be on the old Freedom Plaza CDA and wouldn't generate any tax revenue for anyone; the City is asking the Board to eliminate the Freedom Plaza CDA and participate in the new RDA/CDA projects.
- The Redevelopment Agency adopts a general CDA area and comes to the Board on a project basis.
 - A developer is planning on building "Temple View" apartments south of the Provo City Center temple on University and 200 South. That developer is considering coming to the board to request tax increment financing.
- Columbia Lane CDA is currently on hold; the developer was unable to finalize a deal.
- Plum Tree Plaza has been sold. The City has met with the new owners, who have ideas on what they would like to do with the space, including retail & office space and possibly a hotel. Plans are not definite at this point. The developer may also come to the board for tax increment financing.

Questions/Comments from Board members and staff:

- What are the priority projects the City is more interested in having board participation with?
 - Mayor Curtis: Many projects are "bubbling" and the City is trying to keep them all "hot." At some point something may happen that causes one project to jump to the top of the list.
 - Dave Walter: The City doesn't want to get to the point where they finalize agreements and resolutions with the board only to have the project not materialize, such as the Freedom Plaza project. Rather, they want to bring some projects to the point where "it's the real deal."
- Could there be more communication/information from the City on projects throughout the process rather than at the end so there's more of a partnership?
 - Mayor Curtis: The City would welcome board feedback on the best way to improve the communication to facilitate the partnership.
- The board would like businesses and developers to not think of the district as a hurdle to have to get over, but as more of a partner. If the board contributes to assist businesses/developers, how can they help the district in return, such as in providing internships, etc.?
 - Dave Walter: Some developers don't know how to "plug in" with the district.
- Gary Winterton: CDAs have a time limit; once the time limit is exercised the clock starts ticking. With Duncan Aviation, since the project stalled and started again, does the clock keep running, or does it start again?
 - Dave Walter: The timeline for Duncan is about 15 years; there's no need to restart the clock, so to speak. The City would welcome the opportunity to help developers and business owners connect with the board.

4. Board Meeting Recap Re: Possible Sale of Provo High School

Board President Julie Rash introduced the topic by stating the board came into the PHS process with far more questions than answers. During last week's study session, Facilities Director Mark Wheeler, FFKR architects and structural engineers came to answer questions. The board now feels they have more answers than questions regarding the logistics of the rebuild.

Julie reviewed the FFKR site presentation from last week's study session:

- Map of current PHS location and the results of the traffic study showing three main intersections that would be a concern: Bulldog & University; Canyon Road & University; PHS bus exit onto University. Traffic engineers had indicated that with the school redesign and rebuild, traffic should actually improve with no major issues to overcome.
- West side site - If the current traffic was simply transferred to the Lakeshore location without any improvements, several intersections would need to be mitigated with stop signs, signals and turn restrictions. Large-scale housing developments such as those planned in West Provo will substantially increase traffic regardless of whether or not a school is built in the area. Intersection ratings from A-D are acceptable to UDOT and are based on seconds of delay

at an intersection. Intersections with ratings of E-F would require mitigation.

- Matt Taylor: Ratings are based on road designs. University is a major arterial road that has a lot a capacity. If traffic is changed by even several thousand trips a day it may only marginally increase or decrease the Level of Service (LOS) - seconds of delay to enter an intersection. Moving those same several thousand trips per day to a local road or an undersized road would significantly change the LOS, resulting in a much greater impact with the same number of cars, depending on how the road network is designed.
- Differentiation between school and regular traffic is estimated by the number of parking spaces filled at the school during specific time frames.
- The traffic engineers were primarily interested in whether the school's redesign on the current site would negatively impact current traffic.
- City engineers, Facilities Director Mark Wheeler and UDOT all participated in the conversations regarding the traffic impacts at both sites.
- Mayor Curtis indicated the City does not yet have a timeline for additional roads, stop lights and other needed infrastructure on the west side.

The Pros and Cons Lists

- President Rash strongly emphasized the extensive pros and cons lists for both sites are strictly from an engineering/architectural standpoint.
- Analyzing the facts gathered from architectural, engineering and structural standpoints have led the engineers and architects to develop a preference for the west side site.

Discussion of Liquefaction Effects

- Structural Engineer Kelly Calder presented the following information to the board during the Nov. 3 study session:
 - Liquefaction consists of high ground water and a soil condition of sand grains loosely consolidated that occurs in soil during an earthquake. Saturated sand grains raise the water level, resulting in the soil losing the ability to support loads, and the building settles. Both conditions contribute to lateral spread. The West site has that characteristic of liquefaction. Structural engineers can accommodate differential settlement and lateral spread with stone columns and mitigating the soil. The cost would be approximately \$2 million, which is about half of what it would cost to provide numerous temporary services during reconstruction on the University site.
 - There is also liquefaction at the University site that can't be fixed.

Site Concept Plan

- There are questions regarding the west side road (Lakeshore connector).
 - Mayor Curtis: The west side road is currently unfunded. Geneva has no long-term plans for road development on the west side.
- The campus would be a full service campus with multiple sports fields, etc.
- Available parking spaces would not only be double in number but would also be located closer to athletic fields and other locations around campus.
- Due to elevation the south side of the site was declared "unbuildable" and would have no sewer connection. An ejection pump station for sewage would be installed in the field house between the softball and baseball fields for nearby restrooms.
- Facilities Director Mark Wheeler sent the architects/engineers to the site to "look for reasons to not build there." They reported they don't see any reasons to not build on the west site.

5. Use of Bond Money Allocated for PHS Rebuild

Business Administrator Stefanie Bryant stated the bond money was for five projects - Provo High and five elementary schools.

- The elementary construction of Sunset View and Rock Canyon is currently in line with budgets. Sunset View is slightly under budget; Rock Canyon is slightly above budget due to earlier site issues.
- The architectural firm for Edgemont and Provost was recently selected. They've been told what the bond budget is for both schools. Bids will be submitted in February or March; construction will begin in early May.
- Regardless of where PHS is built, added funding will be necessary. The exact amount is yet unknown and will be based on the location and layout of the campus, as well as the programs that will be kept or eliminated.
- Bond money for PHS will be used for PHS; no money will be left over.
- Approximately half of the bond money has been issued; the rest is in an investment account earning interest.
- Depending on the timing of the PHS decision, the other half of the bonds will be issued next spring (April).

6. School Construction Timelines

Sunset View & Rock Canyon:

- Completion of both schools is scheduled for June, with move-in slated for fall.

Provost and Edgemont:

- Bids submitted in early May with construction commencing in June 2017; move-in fall 2017.

Provo High School:

- If the decision is to build on the west, construction will start in May and continue through summer 2018. Classes would be held in the fall 2018. Some field work and landscaping would still be done after school starts.
- If the school is rebuilt on the current site, construction would start in June. Academic areas would be built first; construction would be phased since the campus would be occupied. Completion would be in spring 2019.
- The longer we wait to begin construction the more expensive it's going to be since construction costs are steadily rising. During the bond process we figured in 4% inflation costs; actual cost increases have been 8%.

7. City Housing Policy

Matt Taylor, City Council Executive Director, introduced the topic by stating one of the Council priorities that has surfaced is looking at housing, asking what the right balance between needs and opportunities is, as well as possible actions the Council might take.

- At next Tuesday's work session Council staff will present a plan for addressing the issue. Following Council feedback, the process may take between 4-6 months or longer and at some point may involve stakeholder engagement (school board).
- Council staff will do some data collection on demographics, incomes, types, tenure/ renters vs. occupied, etc. to add context. Part of the process will be the Council determining which questions are important and which ones aren't.
- Preliminary questions staff will consider include the balance between affordable v. market rate housing in the community; the balance of a range of housing options from single family to high density and what happens in between; city-wide/regionally/neighborhood housing.
- Ultimate goal would be that Council articulates a set of policies guiding where the City wants to head regarding housing.
- The plan will affect zoning decisions and how resources and budgets are committed.

Board feedback:

- It would be appreciated if the City didn't concentrate a particular demographic (single-family/low income) to one area, but had a mix of housing options for those who want to stay in an area as their family grows.
 - Matt: Some on the Council and Council staff are increasingly hearing that sentiment. That would be one of those questions for the Council to consider: should the focus be on the range of options for the city as a whole, or should each neighborhood have mixed-use housing options?
 - Demographic and economic changes over the past decade have accelerated the sentiments that, "it might be nice for me to downsize but still be in my neighborhood," or, "it would be nice to have a place for my children to live close by so they don't have to move to Eagle Mountain."
 - Board members were asked to consider the issue and possible questions in preparation for future conversations and engagement with the Council.

B. Adjourn

1. Motion to Adjourn

I move we adjourn the study session.

Motion by McKay Jensen, second by Jim Pettersson

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen

The joint meeting was adjourned 1:27 p.m.